EXHIBIT O

EXECUTION

PROMISSORY NOTE

\$100,000 August <u>(</u>\$\frac{2}{5}\$ 2008

General. For value received, SHAFI, Inc., a Michigan corporation with its 1. principal place of business located at 7517 Radcliffe, Brighton, Michigan, 48114, and SHAFI Innovation, Inc., a Michigan corporation with its principal place of business located at 7517 Radcliffe, Brighton, Michigan, 48114 (each a "Payor" and collectively, the "Payors"), hereby jointly and severally promise to pay to the order of Braintech, Inc., a Nevada corporation with its principal place of business located at #102-930 West 1st Street, North Vancouver, B.C. Canada, V7P 3N4, or its permitted assigns (the "Payee"), the principal amount of \$100,000, plus all accrued and unpaid interest as set forth herein. Interest on the unpaid balance of the principal amount of this promissory note (this "Note") shall accrue from and after the date hereof at the rate of 2.54% per annum. All computations of interest shall be made on the basis of a year of 365 days for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable. All payments hereunder shall be made in lawful money of the United States of America and in same day or immediately available funds, to the address of the Payee set forth in this Section 1 or such other address as the Payee may designate in a written notice to the Payors. All payments, including any prepayments pursuant to Section 3 hereof, shall be applied first to costs of collection, if any, then to accrued and unpaid interest, and thereafter to principal.

This Note is being issued to memorialize that certain loan in the amount of \$100,000 (the "Loan") made by Payee to Payors, which is secured by the collateral of Payors set forth in that certain Security Agreement, made on June 19, 2008, among the Payors and Payee, and which Loan is referred to as a refundable deposit in that certain letter of intent, dated June 19, 2008, between the Payee and Adil Shafi.

- 2. <u>Term.</u> The principal amount together with all interest accrued and unpaid to date, if not sooner paid, shall be due and payable upon demand by the Payee.
- 3. <u>Voluntary Prepayment</u>. This Note may be prepaid, in whole or in part, at any time and from time to time, without penalty or additional fees. Any partial prepayment shall first be credited to the payment of accrued interest and the balance, if any, shall be credited to the then-outstanding principal amount hereunder.
- 4. Replacement of Note. Upon receipt by any Payor of evidence satisfactory to it of the loss, theft, destruction or mutilation of this Note and (in the case of loss, theft or destruction) of an indemnity reasonably satisfactory to it, and upon surrender and cancellation of this Note, if mutilated, the Payors will deliver a new promissory note of like tenor in lieu of this Note. Any note delivered in accordance with the provisions of this Section 4 shall be dated as of the date of this Note.
- 5. <u>Amendments and Waivers</u>. No provision of this Note may be amended or waived without the express written consent of each Payor and the Payee. No previous waiver and no failure or delay by any Payor or the Payee in acting with respect to the terms of this Note shall constitute a waiver of any breach, default or failure of condition under this Note.

- 6. <u>Collection</u>. If an action is instituted to collect this Note, each Payor jointly and severally promises to pay all reasonable costs and expenses (including reasonable attorneys' fees) incurred in connection with this action.
- 7. Enforceability. In the event any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal or unenforceable, then such provision(s) only shall be deemed null and void and shall not affect any other provision of this Note, and the remaining provisions of this Note shall remain operative and in full force and effect and in no way shall be affected, prejudiced or disturbed thereby.
- 8. Governing Law. This Note is made and delivered in, and shall be governed by and construed in accordance with the laws of, the State of Michigan (without giving effect to principles of conflicts of laws of the State of Michigan or any other state). Each Payor and the Payee hereby irrevocably submit to the jurisdiction of any state or federal court sitting in the State of Michigan for purposes of any controversy, claim or dispute arising out of or related to this Note and hereby waive any defense of an inconvenient forum and any right of jurisdiction on account of the place of residence or domicile.
- 9. <u>Waiver of Jury Trial</u>. EACH PAYOR AND, BY ITS ACCEPTANCE HEREOF, THE PAYEE HEREBY VOLUNTARILY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, BETWEEN THE PAYORS AND THE PAYEE ARISING OUT OF OR IN CONNECTION WITH THIS NOTE.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each Payor has duly executed this Note as of the date first written above.

SHAFI, INC.

Title: PRESIDENT

SHAFI INNOVATION, INC.

Зу: ____

Name: _

Title: PRESIDENT

[Signature page to Promissory Note]